

# OneChicago✕

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August 24, 2004

Ms. Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: Security Futures Products Rule Submission and Rule Certification

Dear Ms. Webb:

Pursuant to section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act"), and section 41.24 of the regulations promulgated by the Commission under the Act, submitted herewith is a rule amendment to the OneChicago, LLC ("OneChicago") initial listing standard for a security futures product based on a single security ("single stock future") relating to the trading volume of the underlying security. The rule amendment will be effective on August 26, 2004. The rule amendment would adopt the standard of some option exchanges<sup>1</sup> and permit OneChicago to list a future on a security that had trading volume of at least 2,400,00 shares in the preceding 12 months. There are no opposing views that are not incorporated into this rule amendment.

On behalf of OneChicago, I hereby certify that that the amendment to the initial listing standard for single stock futures complies with the Act and regulations promulgated thereunder.

/s/ Martin Doyle  
Managing Director

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<sup>1</sup> Interpretation .01(b)(1) of Chicago Board Options Exchange, LLC ("CBOE") Rule 5.3, commentary .01(3) of American Stock Exchange, LLC ("Amex") Rule 915 and International Securities Exchange ("ISE") Rule 502(b)(4).

## Appendix A

### ELIGIBILITY AND MAINTENANCE CRITERIA FOR SECURITY FUTURES PRODUCTS

#### I. Initial listing standards for a security futures product based on a single security.

- A. For a security futures product that is physically settled to be eligible for initial listing, the security underlying the futures contract must meet each of the following requirements:

(i) through (v) **No Change**

- (vi) In the case of an underlying security other than an ETF Share, TIR or Closed-End Fund Share, it must have ~~had an average daily trading volume (in all markets in which the underlying security has is traded) of at least 109,000 shares or receipts evidencing the underlying security in each of the preceding 12 months~~ 2,400,000 shares in the preceding 12 months.

#### Requirement (vi) as Applied to Restructure Securities:

Look-Back Test: In determining whether a Restructure Security that is issued or distributed to the shareholders of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies this requirement, OneChicago may “look back” to the trading volume history of the Original Equity Security prior to the ex-date of the Restructuring Transaction if the following Look-Back Test is satisfied:

- (a) The Restructure Security has an aggregate market value of at least \$500 million;
- (b) The aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage (defined below) of the aggregate market value of the Original Equity Security;
- (c) The aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds \$50 million and the Relevant Percentage of the

*aggregate book value of the assets attributed to the business represented by the Original Equity Security; or*

- (d) The revenues attributed to the business represented by the Restructure Security equal or exceed \$50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.*

*For purposes of determining whether the Look-Back Test is satisfied, the term "Relevant Percentage" means: (i) 25%, when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; and (ii) 33-1/3%, when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.*

*In calculating comparative aggregate market values, OneChicago will use the Restructure Security's closing price on its primary market on the last business day prior to the date on which the Restructure Security is selected as an underlying security for a security futures product ("Selection Date"), or the Restructure Security's opening price on its primary market on the Selection Date, and will use the corresponding closing or opening price of the related Original Equity Security.*

*Furthermore, in calculating comparative asset values and revenues, OneChicago will use the issuer's (i) latest annual financial statements or (ii) most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.*

*Limitation on Use of Look-Back Test: Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, OneChicago will not rely upon the trading volume history of an Original Equity Security for any trading day unless it also relies upon the market price history for that trading day.*

*In addition, once OneChicago commences to rely upon a Restructure Security's trading volume and market price history for any trading day, OneChicago will not rely upon the trading volume and market price history of the Original Equity Security for any trading day thereafter.*

vii through xi **No Change**

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